

## Message Text

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63

ACTION EUR-25

INFO OCT-01 ISO-00 NEA-10 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 SCEM-02 EB-11 COME-00

INT-08 OMB-01 TRSE-00 SCI-06 STR-08 DRC-01 /183 W

----- 049585

P 062250Z NOV 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 2050

UNCLAS OTTAWA 2647

POUCHED ALL CONSULATES IN CANADA

E.O. 11652: N/A

TAGS: ENRG, CA, XF, US

SUBJECT: COMMONS DEBATE ON OIL SUPPLIES

REF: OTTAWA 2646

1. IN HOUSE OF COMMONS DEBATE LAST NIGHT (NO 5) ON CANADIAN OIL SUPPLY SITUATION, ENERGY MINISTER MACDONALD SUMMARIZED ARAB OIL POSITION BY STATING THAT CANADA HAD BEEN ASSIGNED TO NEUTRAL LIST AND THEREBY IS ENTITLED TO AN QUITABLE DIVISION OF THE REDUCED ARAB OIL PRODUCTION, ALTHOUGH ACTUAL AMOUNT CANNOT BE KNOWN BECAUSE OF NUMBER OF UNDETERMINABLE VARIABLES.

2. MACDONALD SAID HE ANTICIPATES THAT LOSS OF HOME HEATING FUEL IN EASTERN CANADA WILL BE JUST UNDER TEN PERCENT OF ESTIMATED DEMAND FOR WINTER SEASON. WITH FULL NATIONAL COOPERATION UNDER VOLUNTARY PROGRAM FUEL OIL REQUIREMENTS COULD BE CUT BY THIS AMOUNT. SHOULD SUPPLY FALL BELOW TEN PERCENT OF DEMAND, A MANDATORY ALLOCATION PROGRAM WOULD BE INTRODUCED AND UNCLASSIFIED

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SUCH PROGRAM IS UNDER PREPARATION IN EVENT IT IS

REQUIRED. IF OIL SUPPLY FELL 25 PERCENT BELOW DEMAND,  
ONLY THEN WOULD A FORMAL RATIONING PROGRAM BE  
INSTITUTED.

3. MACDONALD ALSO OUTLINED WAYS OF PROVIDING FURTHER  
WESTERN CANADIAN SUPPLIES TO EASTERN CANADA:

(A) 70,000 TO 80,000 B/D OF WESTERN CRUDE OIL IS  
SCHEDULED TO MOVE TO MONTREAL THROUGH SEAWAY IN  
NOVEMBER, WITH PROSPECTS FOR ADDITIONAL 10,000 B/D  
DEPENDING ON CHARTERED TANK SPACE AVAILABILITY.

(B) PROPOSED REVERSAL OF 10-INCH TRANSNORTHERN  
PIPELINE (PRODUCT AT RATE OF 30,000 B/D) TO SHIP  
PRODUCT FROM TORONTO TO OTTAWA.

(C) POSSIBILITY OF MOVING UP TO 50,000 B/D OF CRUDE  
THROUGH SPARE TRANSMOUNTAIN PIPELINE FROM VANCOUVER TO  
MONTREAL VIA PORTLAND PIPELINE OR TO ATLANTIC AREAS.

4. MACDONALD EMPHASIZED (WITH REGARD TO PARA 3 ABOVE)  
THAT ALL THESE MEASURES CAN BE TAKEN WITHOUT ANY  
DAMAGE TO CURRENT CRUDE OIL EXPORT TRADE WITH THE  
UNITED STATES.  
SCHMIDT

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, EXPORTS, PETROLEUM PRODUCTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Previous Handling Restrictions:** n/a  
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